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C O N F I D E N T I A L SECTION 01 OF 02 BANGKOK 006133

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DEPARTMENT FOR ISN/RA RICHARD NEPHEW AND HEATHER VON BEHRAN

E.O. 12958: DECL: 12/13/2017
TAGS: PREL KNNP MNUC IAEA IR PARM AORC TH
SUBJECT: DEMARCHE DELIVERED: IAEA DIRECTOR GENERAL'S REPORT
ON IRAN AND U.S. NATIONAL INTELLIGENCE ESTIMATE ON IRAN'S
NUCLEAR PROGRAM

REF: A. STATE 162558

\_B. STATE 157039

Classified By: Deputy Chief of Mission James F. Entwistle, reason: 1.4 (b) and (d).

- 11. (C) Summary: The RTG has called for Iran to cooperate further with the IAEA, although Thailand appears unlikely to complain strongly and publicly about the extent of Iran's cooperation. A working level MFA contact told us Thailand would abide by any UNSC resolutions ordering sanctions against Iran. Current sanctions have made foreign banks unwilling to transfer funds from the Thai MFA to the Thai Embassy in Iran, and the RTG is contemplating having couriers bring cash to Tehran to fund its operations. Our working level MFA contact indicated she thought the recent USG National Intelligence Estimate (NIE) on Iran might reduce our interest in pressing on Iran-IAEA cooperation. Local press coverage of the NIE has been mixed. End Summary.
- 12. (C) The Ambassador raised ref A points with MFA Permanent Secretary Virasakdi Futrakul on December 4. Virasakdi did

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not offer a substantive reply but said he would discuss the matter within the MFA. We then met Thai Ministry of Foreign Affairs (MFA) Iranian desk officer, First Secretary Pimpiree Pyramarn, on December 6 to discuss the points outlined reftel regarding the November 2007 International Atomic Energy Agency (IAEA) Director General's report on Iran and the U.S. National Intelligence Estimate on Iran's Nuclear Program.

- 13. (C) Pimpiree said Thailand was pleased with the overall progress made by the IAEA to date on the Iranian nuclear issue, but noted that Thailand's IAEA representative also called in his official statement for Iran to further cooperate and comply with the IAEA. While Pimpiree expressed personal frustration with Iran's lackluster cooperation to date, Pimpiree said it would be unprecedented and unlikely that Thailand would publicly express strong dissatisfaction towards Iran's cooperation with IAEA. At the same time, Pimpiree was confident that Thailand would support any new sanctions introduced by the United Nations Security Council on Iran (in line with Thailand's support for previous sanctions).
- 14. (C) Pimpiree said Thai officials in Vienna, more so than Thai officials in Tehran, were closely monitoring the Iran-IAEA workplan progress. Pimpiree advised that Thai officials in Tehran were highly frustrated by and focused on the more pressing issue of how to receive MFA funds at a time when the Iranian government increased the Thai Embassy "rent" and the cost of living in Tehran was rising due to sanctions. Pimpiree said the Embassy was currently functioning off of

visa application fees, a solution she opined would not last long.

- ¶5. (C) Pimpiree advised that Thailand had previously relied on U.S. banks and later European banks to transfer money from MFA accounts in domestic banks to Iran for salary payments and other administrative needs. Citing the increasingly stringent sanctions imposed by the United States, Pimpiree claimed that the overseas banks were no longer willing to transfer the funds to Tehran despite the funds being clearly sent from one government entity to another. Pimpiree said the MFA was actively working to find other banks to assist with the transfers, but commented that the MFA may have to facilitate hand-delivery of funds from a neighboring state in a worst case scenario.
- 16. (C) Pimpiree said she believed Iran's cooperation in the coming weeks would be very important and telling in terms of its commitment to the IAEA workplan. Pimpiree advised that outgoing Thai MFA officials assigned to Tehran expressed concern about and asked Pimpiree to dialog with U.S. Embassy counterparts on the likelihood of the United States invading Iran. We advised that such action would be unlikely so long as Iran makes positive progress with resolving outstanding issues related to its nuclear program with the IAEA and the United Nations.
- 17. (C) Despite the clear impact of the sanctions and concerns about a possible U.S. invasion, Pimpiree expressed some surprise that the United States was placing such importance and focus on the Iran-IAEA issue, particularly in light of the NIE assessment that Iran halted its nuclear weapon program in 2003. We assured Pimpiree that the USG would continue energetically to support the IAEA's work on Iran, and to press for Iran to cooperate fully, reiterating that the NIE indicated important ongoing concerns.

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- 18. (U) We plan to meet with Pimpiree again in late December 2007 to discuss Iran's follow-through on workplan commitments, or lack thereof and implications. We also plan to meet with officials of the MFA's Peace, Security and Disarmament Division of the International Organizations Department to discuss their views on the Iranian nuclear issue, as the group shares responsibility for management of the issue with the Iran desk at the MFA.
- 19. (U) While the NIE was not widely covered in the Thai media, those outlets that did raise the NIE unanimously voiced relief that the United States appeared less likely to attack Iran. A commentary in the business-oriented Thai language Post Today (12/9, circulation: 50,000) carried the typical response: "(The NIE) is a big 'slap in the face' to the Bush administration.... Even President Bush himself said only three weeks ago that Iran's nuclear program may lead to World War III. Washington may once again be seen as the 'distorter of information,' as it faces the same situation it did with Iraq when no weapons of mass destruction were found." The Post's sister paper, the English language Bangkok Post (12/7, circulation: 60,000) took a more nuanced view in its editorial: "If Mr. Bush now has scant supporting data of an imminent nuclear threat from Tehran, the Iranian authorities and the anti-Bush political groups also have little reason to crow. For one thing, the NIE specifically concluded that Iran had an active, covert programme to develop nuclear weapons, which it now has paused, not completely suspended." BOYCE